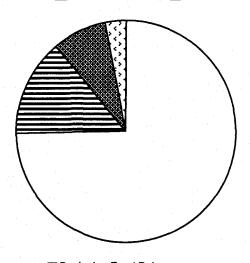
2004-2005 CAPITAL BUDGET

2005-2009 Capital Improvement Program

WATER POLLUTION
CONTROL

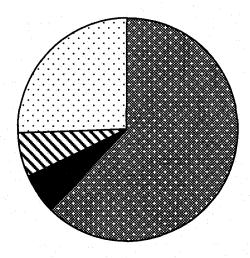
WATER POLLUTION CONTROL CAPITAL PROGRAM 2005-2009 Capital Improvement Program

2004-2005 Proposed **Source of Funds**



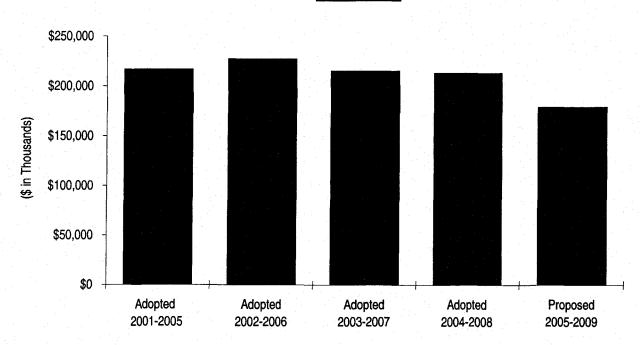
- ☐ Beginning Fund Balance
- **⊟** Other Government Agencies
- Loans & Transfers
- ☑ Miscellaneous

2004-2005 Proposed **Use of Funds**



- Construction
 Non-Construction
- Reserves
- ☐ Ending Fund Balance

CIP History



2005-2009 CAPITAL IMPROVEMENT PROGRAM WATER POLLUTION MILPITAS CONTROL **NORTHERN SAN JOSE** FELTER RO **URBAN SERVICE AREA** APPROXIMATE PROJECT LOCATION PHASE I OF THE SOUTH BAY WATER RECYCLING PROJECT APPROXIMATE PROJECT LOCATION PHASE II OF THE SOUTH BAY SUNNYVALE WATER RECYCLING PROJECT ARQUES AVE REEDAVE SANTA CLARA TEAL E HOMESTEAD RD **100** STEVENS CREEK BLVD MCGLELLA HORPARK AVE ROSPECT RO W CAMPBELLAVE " CAMPBELL SAPITOL EXP LESTMONT AVE LLENDALE AVE POCLARO RO SAR TOO S LOS OF TO NO THOUGH AS BIG BASIN WAY FIOT] OS GATOS ALMADEN RD BLOSSOM HILL RICK-G10 SANTA TERESA STAD BHANNON RO

2005-2009 Proposed Capital Improvement Program

Overview

Introduction

The San José/Santa Clara Water Pollution Control Plant (Plant) is a regional wastewater treatment facility serving eight tributary collection agencies (Agencies), sewage including municipalities and sanitary sewer The service area includes the districts. following cities and adjacent, unincorporated County territory: San José, Santa Clara, Milpitas, Cupertino Sanitary District, West Valley Sanitary District (Campbell, Los Gatos, Monte Sereno, and Saratoga), County Sanitation Districts 2-3, Sunol and Burbank Sanitary Districts. The Plant is jointly owned by the cities of San José and Santa Clara and is administered and operated by the City of San José's Environmental Services Department (ESD), which is also responsible for planning, designing and constructing new wastewater treatment and water reuse facilities.

Capital costs are estimated annually by ESD staff and are reviewed and recommended as a budget by the Treatment Plant Advisory Committee to the San José City Council for appropriation. The costs are allocated to each Agency based on its contracted-for capacity in the Plant. Each Agency is responsible for its allocated share of Plant costs, as well as its' own sewage collection system maintenance, operation, and capital costs; debt service on bonds issued by the Agency for sewer purposes; and any other sewer service related costs. Each Agency is also responsible for establishing and collecting its respective sewer service and use charges, connection fees or other charges for sewer service.

A revenue program is prepared annually by each Agency to establish its sewer service and use charge rates. Rates are adopted by ordinance, or resolution, of the governing body of each Agency. The Agencies' revenue programs, ordinances and resolutions are submitted to the City of San José, as the administering agency, for review to determine conformance with State Water Resources Control Board (SWRCB) revenue program guidelines and are then submitted by San José to the SWRCB for review and certification.

This program is part of the Environmental and Utility Services City Service Area (CSA) and supports the following outcomes: Reliable Utility Infrastructure and Healthy Streams, Rivers, Marsh, and Bay.

Program Priorities and Objectives

The Plant CIP projects are evaluated using the following criteria established by ESD:

- Projects needed for health and safety.
- Projects needed to maintain the quality of effluent flow.
- Projects mandated by regulatory agencies.
- Projects that ensure adequate process reliability.
- Projects that improve efficiency and effectiveness.

Sources of Funding

The 2005-2009 Proposed Capital Improvement Program (CIP) provides funding of \$179.3 million, of which \$106.4 million is allocated in 2004-2005.

Revenues for the Five-Year CIP are derived from eight sources: Contributions from the City of Santa Clara and Other Agencies (\$40.6 million); transfers from the City of San José Sewer Service and Use Charge Fund (\$28.8

2005-2009 Proposed Capital Improvement Program

Overview

Sources of Funding (Cont'd.)

million); the Sewage Treatment Plant Connection Fee Fund (\$15.4 million); Interest Income (\$8.3 million); Santa Clara Valley Water District contributions (\$2.8 million); Calpine Metcalf Energy Center Facilities Repayments (\$1.9 million); Proposition 13 funding (\$1.4 million); and federal grants from the US Bureau of Reclamation (\$500,000). In addition, \$60.8 million from the available fund balance is programmed to support projects.

Contributions from the City of Santa Clara and Other Agencies are determined by agreements with the participating agencies, financing plans, anticipated expenditures for the Plant, and the amount and characteristics of flows to the treatment plant. These transfers total \$40.6 million in the Proposed CIP, which represents an increase of 6.3% compared to the Adopted 2004-2008 CIP. This increase reflects reimbursement of actual project costs represented in this CIP.

The Sewer Service and Use Charge Fund, is an operating fund that derives its revenues from fees imposed on San José's residential, commercial, and industrial users of the sanitary sewer system, to support capital projects. Transfers from the Sewer Service and Use Charge Fund reflect a 5.5% increase compared to the 2004-2008 Adopted CIP. In order to maintain the program represented in this document, a three-year 4.5% annual rate increase is proposed to the Sewer Service and Use Charge rate. The Sewer Service and Use Charge fee has not been increased since 1994. These increases would fund major capacity improvement projects and critical projects described in the "Program Highlights" category of this section below.

Program Highlights

South Bay Action Plan

A South Bay Action Plan (SBAP) has been a requirement of the Plant's National Pollution Discharge Elimination System (NPDES) permit since 1991 and includes projects necessary to reduce average dry weather effluent flow from the Plant to below the 120 million gallons per day (mgd) flow trigger, or to levels that protect salt marsh habitat for endangered species in the South Bay. requirement has changed from specific elements included in the discharge permit to the submission of an annual work plan that allows for adaptive management. In June 1997, both the San Francisco Bay Regional Water Quality Control Board (Regional Board) and the San José City Council approved the Revised South Bay Action Plan The RSBAP was included as a (RSBAP). provision of the 1998 NPDES permit and included the Expanded Water Recycling, Industrial Water Recycling/Reuse, Groundwater Inflow/Infiltration Reduction, and Environmental Enhancement Pilots projects. In February 1998, Council approved a financing plan that identified \$127 million in funding sources for the RSBAP, primarily through State Revolving Fund loans from the Water Resources Control Board (SWRCB), and Treatment Plant Capital Fund reserves. Included in the \$127 million was \$100 million for water recycling projects.

On September 17, 2003, the Regional Board approved a new NPDES permit for the Plant and continued the requirement for a South Bay Action Plan to comply with the original 1991 Regional Board Resolution.

2005-2009 Proposed Capital Improvement Program

Overview

Program Highlights (Cont'd.)

South Bay Action Plan (Cont'd.)

The Regional Board SBAP requirement states that the Discharger will continue to implement its recycling programs. The City Council approved the water conservation, industrial recycling and reuse and the first annual SBAP work plan under the 2003 NPDES permit on February 17, 2004. The 2004 SBAP Work plan elements include:

- 1. Water Efficiency Programs industrial recycling/reuse and indoor water conservation. Programs will continue but at a reduced level of effort.
- 2. South Bay Water Recycling System Completion of the Silver Creek Pipeline extension to Coyote Valley and the Metcalf Energy Center, and the continued collaborative effort with the Santa Clara Valley Water District for future expansion, operation, and maintenance of the system.
- 3. Salt Marsh Vegetative Assessment Perform marsh assessments in 2005
 and 2007 to identify salt marsh
 conversion in the study area.
 Historically, the City has performed
 marsh assessments on an annual basis
 and is investigating more costeffective and efficient methods of
 continuing the annual assessments.
- 4. California Clapper Rail and the Salt Marsh Harvest Mouse Survey. In 2006, perform a synoptic survey of the clapper rail and harvest mouse.

Plant Reliability Improvements

The Plant has a current maximum wet weather flow capacity rated at 271 mgd. In

the past, the Plant experienced peak storm flows, in excess of 320 mgd, that had forced an overload of certain operational treatment processes. In November 2001, Plant staff completed a study to assess the Plant's infrastructure, and the Plant's ability to increase wet weather operational capacity.

As a result of the study, improvements were identified that would significantly increase the Plant's wet weather flow peak capacity and operational reliability. These improvements are estimated to increase the Plant's wet weather flow peak capacity to approximately 400 mgd. Included in the recommendation are the following improvement projects: 1) additions and improvements of piping systems, and hydraulic improvements for flow equalization; 2) a new raw sewage pump station and a new filter influent pump station; and 3) and most importantly, additional parallel headworks facilities that will allow the shutdown of the current headworks facility for much needed maintenance work.

A consultant has been retained for the design of the Plant Reliability Improvements. Cost estimates at the current design stage indicate the project costs are approximately \$52 million for construction, \$3 million for construction management services, and an estimated \$2 million for start up and operating manual development costs. Funding has been programmed in the 2005-2009 Proposed CIP for these project costs. The design work is scheduled for completion in June 2004 and construction is anticipated for completion in 2008-2009.

Major New/Expanded Projects

The 2005-2009 Adopted Capital Budget includes several other new or expanded

2005-2009 Proposed Capital Improvement Program

Overview

Program Highlights (Cont'd.)

Major New/Expanded Projects (Cont'd.)

projects that will require an investment of new capital funds. These projects are required to meet regulatory mandates or ensure process reliability:

- Alternative Disinfection Facilities \$4,500,000
- Inactive Lagoons Bio-Solids Removal, Phase 1 (characterization of solids) -\$1,500,000
- Plant Electrical Reliability \$20,000,000
- Administration Building & Gate Security Improvements \$200,000
- Biological Nutrient Removal Q2 Air Upgrade - \$100,000
- Dissolved Air Floatation Pressure Retention Tank & Valves - \$1 million
- Raw Sewage & Effluent Sampling Stations \$200,000

Reserve for Equipment Replacement

As in prior Capital Improvement Programs, the Proposed 2005-2009 CIP includes a minimum \$5 million reserve for equipment replacement. This reserve minimum was established to satisfy three contractual requirements:

• The State Water Resources Control Board's (SWRCB) Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment requires that annual revenue requirements include funds for the replacement of major equipment for maintaining the

capacity and performance of the treatment plant over its useful life. Compliance with the SWRCB's policy is a requirement of our State Revolving Fund Loan Agreements. Equipment replacement of \$8.1 million and a reserve of \$5 million are included in the Proposed 2005-2009 CIP to satisfy this requirement.

- The Clean Water Financing Authority (CWFA) Bond Covenants require that a reserve be maintained at a minimum level of \$5 million to help pay the costs of extraordinary repairs, renewal, and replacement of the treatment plant when insurance and other funds budgeted for such purposes are exhausted, or are insufficient to meet the need.
- The Master Agreements for Wastewater Treatment between City of San José, City of Santa Clara, and Tributary Agencies established a replacement fund to deposit annual contributions for the replacement of major treatment plant equipment. The Master Agreements also require that each agency pay its proportionate share of the annual replacement contribution.

Major Changes from the 2004-2008 Adopted CIP

Major changes from the 2004-2008 Adopted CIP include the following:

 New funding in the amount of \$14 million for the Plant Electrical Reliability project to increase electrical power reliability by utilizing new technology, improved

2005-2009 Proposed Capital Improvement Program

Overview

Major Changes from the 2004-2008 Adopted CIP (Cont'd.)

design, advanced monitoring, and increased automation.

- Additional funding in the amount of \$6 million for the Plant Reliability Improvements project based on revised estimates at the completion of the 90% design milestone.
- Reallocation of a reserve in the amount of \$4.5 million for the Alternative Disinfection project to fund project design and construction costs.
- Decrease of funding in the amount of \$2.5 million for the Inactive Lagoons Bio-Solids Removal project. Funding remains to reevaluate alternatives for the proper disposal of toxic bio-solids. Once this evaluation is complete, additional funding may be required to dispose of the biosolids.
- Additional funding is included for the Revised SBAP – SBWR Extension project in the amount of \$2.4 million to provide additional funding for the recycled water pipeline project.
- New funding in the amount of \$1 million for the Dissolved Air Floatation Pressure Retention Tank & Valves project to replace aging tanks and valves.
- New funding in the amount of \$500,000 for the Land Acquisition and Improvements project for alternative use analysis, property management and

- development, and implementing buffer land improvements.
- New funding in the amount of \$200,000 to fund the Administration Building & Gate Security Improvements project to improve security at the Water Pollution Control Plant.
- New funding in the amount of \$200,000 for the Raw Sewage & Effluent Sampling Stations project to upgrade sewage sampling stations.
- New funding in the amount of \$100,000 for the Biological Nutrient Removal Q2 Air Upgrade project to equip the Plant's aeration tanks with energy efficient air diffusers.

Operating Budget Impact

The Alternative Disinfection project in the 2005-2009 Proposed CIP is anticipated to have an impact on the operating budget, which is supported by the San José-Santa Clara Treatment Plant Operating Fund. This project switches the disinfection method used at the Plant from a chlorine gas and sulfur system a liquid dioxide to sodium hypochlorite and sodium bisulfite system, which reduces the risk of a massive catastrophe. The following table shows the increase in chemical costs as a result of this All projects anticipated to be project. operational in 2004-2005 have been addressed in the 2004-2005 Proposed Operating Budget. Additional detail on the individual projects with operating budget impacts is provided in the Project Detail Pages. The operating budget impacts of reserves that will be used to fund projects in the future are not reflected in the CIP.

2005-2009 Proposed Capital Improvement Program

Overview

Net Operating Budget Impact Summary

	2005-2006	2006-2007	2007-2008	2008-2009
Alternative Disinfection	<u>\$3,075,000</u>	<u>\$3,152,000</u>	\$3,231,000	\$3,311,000
Total	\$3,075,000	\$3,152,000	\$3,231,000	\$3,311,000

Note: The estimated operating costs have been provided by the Environmental Services Department and have not yet been fully analyzed by the Budget Office. That analysis may well result in different costs when the actual budget for the year in question is formulated.

2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

WATER POLLUTION CONTROL

Source of Funds

Use of Funds

The Source of Funds displays the capital revenues by funding source for each year of the Five-Year Capital Improvement Program. The Use of Funds displays the capital expenditures by line-item for each year of the five-year period.

2005-2009 Proposed Capital Improvement Program Source of Funds

	Estimated						5-Year
SOURCE OF FUNDS	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Total
San José-Santa Clara Treatment Plar	nt						
Capital Fund							
Beginning Fund Balance Revenue from Other Agencies:	101,819,814	79,634,268	27,058,268	25,504,268	21,720,268	19,749,268	79,634,268 *
Federal Government							
 U.S. Bureau of Reclamation Grant (SBWRP) 	2,500,000	500,000					500,000
State Government							
Silver Creek Segment Grant (Prop 13)	2,300,000	1,350,000					1,350,000
Water Pollution Control Plant User							
Agencies							
1995/1997 Bond Debt Service Payment	1,308,000	1,309,000	1,697,000	1,662,000	1,662,000	1,660,000	7,990,000
 Equipment Replacement 	609,000	607,000	607,000	607,000	607,000	607,000	3,035,000
- SRF Loan Repayment	1,384,000	1,384,000	1,384,000	1,384,000	1,384,000	1,384,000	6,920,000
- WPCP Projects	6,206,000	7,133,000	3,757,000	5,398,000	3,690,000	2,714,000	22,692,000
Santa Clara Valley Water District							
Silver Creek Pipeline Contribution	2,800,000	2,800,000					2,800,000
Contributions, Loans and Transfers from: Special Funds							
Transfer from 541 - Equipment Replacement (San Jose)	1,054,000	1,056,000	1,056,000	1,056,000	1,056,000	1,056,000	5,280,000
Transfer from Connection Fee Fund (Fund 539)	3,080,000	3,080,000	3,080,000	3,080,000	3,080,000	3,080,000	15,400,000
Transfer from Sewer Service and Use Charge Fund (541)	4,400,000	4,400,000	4,400,000	5,700,000	4,500,000	4,500,000	23,500,000
Interest Income	4,071,000	2,806,000	2,407,000	1,648,000	931,000	488,000	8,280,000

^{*} The 2005-2006 through 2008-2009 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

2005-2009 Proposed Capital Improvement Program Source of Funds

SOURCE OF FUNDS (CONT'D.)	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Total
San José-Santa Clara Treatment Plan Capital Fund	<u>nt</u> 						
Miscellaneous Revenue							
Calpine MEC Facilities Repayment		389,000	389,000	389,000	389,000	389,000	1,945,000
 Los Esteros Road Payment 	1,069,000						
Reserve for Encumbrances	41,640,454						
Total San José-Santa Clara Treatment Plant Capital Fund	174,241,268	106,448,268	45,835,268	46,428,268	39,019,268	35,627,268	179,326,268
TOTAL SOURCE OF FUNDS	174,241,268	106,448,268	45,835,268	46,428,268	39,019,268	35,627,268	179,326,268

^{*} The 2005-2006 through 2008-2009 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

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Water Pollution Control Capital Program

2005-2009 Proposed Capital Improvement Program

	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	5-Year Total
USE OF FUNDS							
Construction Projects							
Water Pollution Control Managed	Projects						
Computer & Instrumentation Improvements	337,000						
Filter Improvements	350,000		750,000	5,250,000			6,000,000
Filter Influent & Effluent Meter Replacement	200,000						
Filter Influent Pumps 1 Thru 4 Controller Replacement	1,000,000						
Headworks Redundancy Modifications	1,000						
Plant Modernization	7,000						
Revised South Bay Action Plan - nflow/Infiltration Reduction	1,000,000	50,000					50,000
Technical Services Building	25,000						
Administration Building & Gate Security Improvements		200,000					200,000
2. Alternative Disinfection	500,000	1,000,000	3,500,000				4,500,000
Biological Nutrient Removal Q2 Air Upgrade	000,000	100,000	0,000,000				100,000
I. Dissolved Air Flotation Pressure Retention Tank &		200,000	200,000	200,000	200,000	200,000	1,000,000
Valves Inactive Lagoons Bio-Solids	438,000	500,000		500,000		500,000	1,500,000
Removal Land Acquisitions &	100,000	100,000	100,000	100,000	100,000	100,000	500,00
Improvements Plant Electrical Reliability	1,984,000	3,000,000	3,000,000	5,000,000	5,000,000	4,000,000	20,000,000
8. Raw Sewage & Effluent Sampling Stations		200,000					200,000

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Water Pollution Control Capital Program

2005-2009 Proposed Capital Improvement Program

	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	5-Year Total
USE OF FUNDS (CONT'D.)	2000-200-4						
Construction Projects							
Water Pollution Control Managed	l Projects						
9. WPCP Reliability Improvements	2,936,000	55,000,000			2,000,000		57,000,000
Total Water Pollution Control Managed Projects	8,878,000	60,350,000	7,550,000	11,050,000	7,300,000	4,800,000	91,050,000
Watershed Protection Managed F	Projects						
Advance Water Treatment - Total Dissolved Solids Reduction Study	350,000						
ESD MIS Improvements	997,000						
Lab Information Management System	500,000						
Revised South Bay Action Plan - Environmental Enhancement	611,000						
Salt Marsh Restoration	2,500,000						
South Bay Water Recycling Program	643,000						
10. Revised South Bay Action Plan - Industrial Recycle/Reuse	332,000	200,000	100,000	100,000	100,000	100,000	600,000
11. Revised South Bay Action Plan - SBWR Extension	66,232,000	1,033,000	389,000	394,000	389,000	389,000	2,594,000
Total Watershed Protection Managed Projects	72,165,000	1,233,000	489,000	494,000	489,000	489,000	3,194,000
Recurring Projects							
12. Equipment Replacement13. Plant Infrastructure Improvements	1,955,000 5,091,000	1,525,000 2,850,000	2,000,000 3,270,000	1,525,000 4,920,000	1,525,000 3,230,000	1,525,000 3,230,000	8,100,000 17,500,000

2005-2009 Proposed Capital Improvement Program

	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	5-Year Total
USE OF FUNDS (CONT'D.)			1				
Construction Projects							
Recurring Projects							
14. Unanticipated/Critical Repairs	332,000	250,000	250,000	250,000	250,000	250,000	1,250,000
Total Recurring Projects	7,378,000	4,625,000	5,520,000	6,695,000	5,005,000	5,005,000	26,850,000
Total Construction Projects	88,421,000	66,208,000	13,559,000	18,239,000	12,794,000	10,294,000	121,094,000
Non-Construction							
General Non-Construction							
Budget Office - Capital Prog. Staff	63,000	65,000	68,000	71,000	75,000	79,000	358,000
CIP Action Team	38,000	41,000	41,000	43,000	43,000	48,000	216,000
Civic Center Start-up Costs		1,000					1,000
Information Technology Staff	78,000	67,000	43,000	45,000	47,000	49,000	251,000
15. Arbitrage Rebate Payment	100,000	100,000	300,000				400,000
16. Payment for Clean Water Financing Authority Trustee	135,000	135,000	135,000	135,000	135,000	135,000	675,000
17. State Revolving Fund Loan Repayment	4,464,000	4,464,000	4,464,000	4,464,000	4,464,000	4,464,000	22,320,000
18. Transfer to Clean Water Financing Authority Debt Service Payment Fund	1,308,000	1,309,000	1,697,000	1,662,000	1,662,000	1,660,000	7,990,000
Total General Non-Construction	6,186,000	6,182,000	6,748,000	6,420,000	6,426,000	6,435,000	32,211,000
Reserves							
Civic Center Occupancy Reserve			24,000	49,000	50,000	51,000	174,000
19. Reserve for Equipment Replacement		5,000,000					5,000,000

2005-2009 Proposed Capital Improvement Program

LISE OF FUNDS (CONTID)	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	5-Year Total
USE OF FUNDS (CONT'D.)							
Non-Construction							
Reserves							
20. Reserve for GRS Agreement		1,800,000					1,800,000
21. Reserve for Rate Studies		200,000	•				200,000
Total Reserves		7,000,000	24,000	49,000	50,000	51,000	7,174,000
Total Non-Construction	6,186,000	13,182,000	6,772,000	6,469,000	6,476,000	6,486,000	39,385,000
Ending Fund Balance	79,634,268	27,058,268	25,504,268	21,720,268	19,749,268	18,847,268	18,847,268
TOTAL USE OF FUNDS	174,241,268	106,448,268	45,835,268	46,428,268	39,019,268	35,627,268	179,326,268

^{*} The 2004-2005 through 2007-2008 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of same funds.

2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

Water Pollution Control

DETAIL OF

CAPITAL PROJECTS

The Detail of Capital Projects section provides information on the individual capital projects with funding in 2004-2005, including the following: project name, City Service Area (CSA) and CSA Outcome supported by the project, responsible department, Council District, project location, project description, project start and completion dates, project justification, project costs by type of expenditure, funding sources for the project, and the annual operating budget impact. On the Use of Funds statement, these projects are numbered.

2005-2009 Proposed Capital Improvement Program **Detail of Capital Projects**

1. Administration Building & Gate Security Improvements

CSA:

Environmental and Utility Services

Initial Start Date: 1st Qtr. 2005

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Initial Completion Date: 4th Qtr. 2006

Department: **Council District:** **Environmental Services**

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

The administration building and the security gates are the first line of security defense at the Water Pollution Control Plant. Many improvements have been incorporated over the years to improve security at these locations, such as cameras, security guards, employee ID badges, new lift gate, tire spikes and speed bumps at the exit lane, and evening security guards. This project provides for the addition of improved cameras and security locks in the administration building entrances.

Justification:

Additional improvements are needed at the administration building and security gate to address increasing safety concerns. Improvemnts include ID scanning for employees, database, improved

cameras, and security locks at entrances.

				XPENDIT							
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Design Construction				40 160					40 160		40 160
TOTAL			-	200					200		200
			FUN	IDING SO	URCE SC	HEDULE ((8'000)				
San José-Santa Clara Treatment Plant Capital Fund				200					200		200
TOTAL		-		200		-			200		200
	·.		ANNUA	L OPERA	TING BUD	GET IMP	ACT (000'	S)			

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:

2004-2005

Redevelopment Area:

N/A

Initial Project Budget:

\$200,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

2. Alternative Disinfection

CSA:

Environmental and Utility Services

Initial Start Date: 2nd Qtr. 2004

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 3rd Qtr. 2007

Council District:

. 1

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

The WPCP disinfects the filtered effluent using gaseous chlorine and neutralizes the chlorine residual with sulfur dioxide prior to discharge. Chlorine and sulfur dioxide are delivered to the Plant in railcar containers. To minimize risk of damage, this project provides funding for the design and construction of facilities to replace the gaseous chlorine and sulfur dioxide system with liquid sodium

hypochlorite and sodium bisulfite system.

Justification:

The presence of large quantities of sulfur dioxide and chlorine gas poses a high risk of damage in an event of massive sudden release. As a result of the terrorist attacks on September 11, this project has been fast tracked, as it would help meet the goal of reducing the potential risk of a massive

catastrophe.

			=	XPENDIT	URE SCH	EDULE (0	00'S)				
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Development Design Construction		500	500	1,000	3,500				1,000 3,500		500 1,000 3,500
TOTAL		500	500	1,000	3,500				4,500		5,000
			FUN	IDING SO	URCE SC	HEDULE (000'S)				
San José-Santa Clara Treatment Plant Capital Fund		500	500	1,000	3,500				4,500		5,000
TOTAL		500	500	1,000	3,500				4,500		5,000
			ANNUA	L OPERA	TING BUD	GET IMP	ACT (000'	S)			
Operating					3,075	3,152	3,231	3,311			
TOTAL					3,075	3,152	3,231	3,311			

Major Changes in Project Cost:

2005-2009 CIP - increase of \$4.5 million to allocate funds from prior Reserve for Alternate Disinfection.

Notes:

FY Initiated:

2003-2004

Redevelopment Area:

N/A

Initial Project Budget:

\$500,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

3. Biological Nutrient Removal Q2 Air Upgrade

CSA:

Environmental and Utility Services

Initial Start Date: 3rd Otr. 2004

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 1st Qtr. 2006

Council District:

4

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

This project will replace headers in two of the aeration tanks, which will allow the use of energy

efficient air diffusers.

Justification:

The improvements in air efficiency reduce the cost of energy required by decreasing the amount of air needed. Additionally, the higher efficiency diffusers will increase loading capacity of the treatment

units without compromising discharge water quality.

					XPENDIT	URE SCH	EDULE (0	00'S)				
Cost Elements		Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Design Construction					20 80					20 80		20 80
TOTAL	•				100					100		100
				FUN	IDING SO	URCE SC	HEDULE	(000'S)				
San José-Santa Clara Treatment Plant Capit Fund					100					100		100
TOTAL					100					100	5.4	100
			<u> </u>	ANNUA	L OPERA	TING BUL	OGET IMP	ACT (000'	S)			
										•		

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:

2004-2005

Redevelopment Area:

N/A

Initial Project Budget:

\$100,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

4. Dissolved Air Flotation Pressure Retention Tank & Valves

CSA:

Environmental and Utility Services

Initial Start Date: 3rd Qtr. 2004

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 3rd Qtr. 2010

Council District:

1

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

This project will replace 14 of the 16 pressurized tanks and their valves located in the sludge

processing area.

Justification:

The pressurized steel tanks have outlived the useful service lives and require replacement to ensure

safety and process reliability.

	·	EXPENDITURE SCHEDULE (000'S)									
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Design Construction				40 160	30 170	30 170	30 170	30 170	160 840	56 544	216 1,384
TOTAL				200	200	200	200	200	1,000	600	1,600
			FUN	IDING SO	URCE SC	HEDULE ((000'S)				
San José-Santa Clara Treatment Plant Capital Fund				200	200	200	200	200	1,000	600	1,600
TOTAL				200	200	200	200	200	1,000	600	1,600

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:

2004-2005

Redevelopment Area:

N/A

Initial Project Budget:

\$1,600,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

5. Inactive Lagoons Bio-Solids Removal

CSA:

Environmental and Utility Services

Initial Start Date: 3rd Qtr. 2002

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 2nd Qtr. 2010

Council District:

4

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

The Residual Sludge Management (RSM) facility at the Plant currently has inactive lagoons, which contain approximately 320,000 dry tons of old, toxic bio-solid stockpiles constructed between 1960 and 1967, before vigorous and effective source control and pretreatment programs were implemented. Recently, these stockpiles have been analyzed and found to contain lead and cadmium at levels higher than Department of Toxic Sustances Control (DTSC) guidelines. Bio-solids sampling and confirmatory analysis work invloving interaction with DTSC and the Environmental Protection Agency (EPA) will start in 2003-2004. It is anticipated that removal of the bio-solids will

begin in 2005.

Justification:

This project will free up needed RSM space for process utilization. Additionally, environmental regulations are likely to become more complex in the future and postponing disposal of these bio-

solids will, in all likelihood, lead to significant increases in costs.

				XPENDIT	URE SCH	EDULE (0	00'S)				
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Development Design Construction		438	438	500		500		500	500 1,000		438 500 1,000
TOTAL		438	438	500		500		500	1,500		1,938
			FUN	IDING SO	URCE SC	HEDULE (000'S)			·· <u>·</u>	
San José-Santa Clara Treatment Plant Capital Fund		438	438	500		500		500	1,500		1,938
TOTAL		438	438	500		500		500	1,500		1,938

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

2005-2009 CIP - decrease of \$2.5 million to reflect re-scoping of this project to cover the reevaluation of alternatives for the proper disposal to toxic bio-solids. Once this evaluation is complete, additional funding will most likely be requested to complete the removal.

Notes:

Formerly part of an ongoing allocation titled "Residual Sludge Facilities".

FY Initiated:

2003-2004

Redevelopment Area:

N/A

Initial Project Budget:

\$4,500,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

6. Land Acquisitions & Improvements

CSA:

Environmental and Utility Services

Initial Start Date: 2nd Qtr. 1997

CSA Outcome:

Healthy Streams, Rivers, Marsh and Bay

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 1st Qtr. 2007

Council District:

· A ·

Revised Completion Date: 2nd Qtr. 2012

Location:

Water Pollution Control Plant

Description:

This project provides resources for the environmental planning, property maintenance, review of technical issues related to the property upgrades, technical studies and the development and evaluation of conceptual design work on possible alternatives for the use of salt pond A18. The project also provides for the implementation of the planning effort, with council approval, after the

five-year budget period.

Justification:

The department purchased salt pond A18 in 2003. The seller has responsibility to upgrade the property and to put it in a stand-alone condition suitable for the City. At that time, the Plant will be

responsible for this property as buffer land.

			=======================================	XPENDIT	URE SCH	EDULE (0	00'S)				
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Property & Land	20,171	4,934	100	100	100	100	100	100	500	5,000	25,771
TOTAL	20,171	4,934	100	100	100	100	100	100	500	5,000	25,771
			FUN	IDING SO	URCE SCI	HEDULE ((000'S)				
San José-Santa Clara Treatment Plant Capital Fund	20,171	4,934	100	100	100	100	100	100	500	5,000	25,771
TOTAL	20,171	4,934	100	100	100	100	100	100	500	5,000	25,771

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

2005-2009 CIP - increased by \$500,000 for alternative use analysis, property management, and development of salt pond A18.

Notes:

1999-2003 CIP - increased by \$15 million to address scope changes.

FY Initiated:

1996-1997

Redevelopment Area:

N/A

Initial Project Budget:

\$10,100,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

7. Plant Electrical Reliability

CSA:

Environmental and Utility Services

Initial Start Date: 3rd Qtr. 2003

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 2nd Qtr. 2015

Council District:

4

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

The scope of the work includes detailed electrical power distribution system analysis, identifying and prioritizing equipment replacement/rehabilitation needs and increasing electrical power reliability by utilizing new technology, improved design, advanced monitoring, and increased automation.

Justification:

Various electrical systems must be upgraded or replaced with state-of-the-art equipment to improve

reliability and safety.

1.15		-	EXPENDITURE SCHEDULE (000'S)								
Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total	
	1,984	1,984	3,000	3,000	5,000	5,000	4,000	3,000 17,000	20,000	3,000 38,984	
	1,984	1,984	3,000	3,000	5,000	5,000	4,000	20,000	20,000	41,984	
		FUN	DING SO	URCE SC	HEDULE ((000'S)					
	1,984	1,984	3,000	3,000	5,000	5,000	4,000	20,000	20,000	41,984	
- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	1,984	1,984	3,000	3,000	5,000	5,000	4,000	20,000	20,000	41,984	
	· · · · · · · · · · · · · · · · · · ·	ANNUA	L OPERA	TING BUE	GET IMP	ACT (000'	S)				
		Years Appn. 1,984 1,984 1,984	Prior 2003-04 2003-04 Years Appn. Estimate 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984	Prior Years 2003-04 Appn. 2003-04 Estimate 2004-05 1,984 1,984 3,000 1,984 1,984 3,000 FUNDING SO 1,984 3,000 1,984 1,984 3,000	Prior Years 2003-04 Appn. 2003-04 Estimate 2004-05 2005-06 1,984 1,984 3,000 3,000 1,984 1,984 3,000 3,000 FUNDING SOURCE SC 1,984 1,984 3,000 3,000 1,984 1,984 3,000 3,000	Prior Years 2003-04 Appn. 2003-04 Estimate 2004-05 2005-06 2006-07 1,984 1,984 3,000 3,000 5,000 FUNDING SOURCE SCHEDULE 1,984 1,984 3,000 3,000 5,000 1,984 1,984 3,000 3,000 5,000	Prior Years 2003-04 Appn. 2003-04 Estimate 2004-05 2005-06 2006-07 2007-08 1,984 1,984 3,000 3,000 5,000 5,000 FUNDING SOURCE SCHEDULE (000'S) 1,984 1,984 3,000 3,000 5,000 5,000 1,984 1,984 3,000 3,000 5,000 5,000	Prior Years 2003-04 Appn. 2003-04 Estimate 2004-05 2005-06 2006-07 2007-08 2008-09 1,984 1,984 3,000 3,000 5,000 5,000 4,000 FUNDING SOURCE SCHEDULE (000'S) 1,984 1,984 3,000 3,000 5,000 5,000 4,000	Prior Years 2003-04 Appn. 2003-04 Estimate 2004-05 2005-06 2006-07 2007-08 2008-09 5-Year Total 1,984 1,984 3,000 3,000 5,000 5,000 4,000 17,000 1,984 1,984 3,000 3,000 5,000 5,000 4,000 20,000 1,984 1,984 3,000 3,000 5,000 5,000 4,000 20,000 1,984 1,984 3,000 3,000 5,000 5,000 4,000 20,000	Prior Years 2003-04 Appn. 2003-04 Estimate 2004-05 2005-06 2006-07 2007-08 2008-09 5-Year Total Beyond 5-Year 1,984 1,984 3,000 3,000 5,000 5,000 4,000 17,000 20,000 1,984 1,984 3,000 3,000 5,000 5,000 4,000 20,000 20,000 1,984 1,984 3,000 3,000 5,000 5,000 4,000 20,000 20,000 1,984 1,984 3,000 3,000 5,000 5,000 4,000 20,000 20,000	

None

Major Changes in Project Cost:

2005-2009 CIP - increase of \$33.5 million (total project cost) to fund construction/rehabilitation costs due to increased project scope.

Notes

Replaces a formerly ongoing allocation titled "Electrical System Improvements".

FY Initiated:

2003-2004

Redevelopment Area:

N/A

Initial Project Budget:

\$7,671,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

8. Raw Sewage & Effluent Sampling Stations

CSA:

Environmental and Utility Services

Initial Start Date: 3rd Qtr. 2004

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 4th Qtr. 2005

Council District:

4

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

This project will replace the temporary raw sewage sampler in the raw sewage wet well, and upgrade

the existing effluent sampler in the filter building area.

Justification:

As mandated in the Plant's National Pollutant Discharge Elimination System (NPDES) permit, the plant is required to collect and test samples of both raw sewage and plant effluent. This project will

restore the sampling equipment to comply with NPDES permit requirements.

	EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Design Construction				30 170					30 170		30 170
TOTAL				200					200		200
			FUN	IDING SO	URCE SC	HEDULE	(000'S)				
San José-Santa Clara Treatment Plant Capital Fund				200					200		200
TOTAL				200					200		200

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:

2004-2005

Redevelopment Area:

N/A

Initial Project Budget:

\$200,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

9. WPCP Reliability Improvements

CSA:

Environmental and Utility Services

Initial Start Date: 2nd Qtr. 2000

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date: 2nd Qtr. 2003

Department:

Environmental Services

Initial Completion Date: 2nd Qtr. 2008

Council District:

1

Revised Completion Date: 2nd Qtr. 2009

Location:

Water Pollution Control Plant

Description:

The goal of this project is to improve the Plant's ability to handle wet weather flows, and to improve the reliability of several of the plant's critical systems, such as headworks, filtration, and major pumping statiions. The project will also look at ways to improve the reliability and efficiency of producing recorded water as well as water displaces to the Poy.

producing recycled water, as well as water discharge to the Bay.

Justification:

Over the past several winters, the Plant has experienced wet weather flows that exceed the original hydraulic design of some of the Plant's treatment facilities. These periodic high flows have caused sewage overflows, and process upsets that make the Plant vulnerable to future incidents. Over the next several years, as population and business activities increase, wastewater flows to the plant are expected to exacerbate the problem. Improvements in the Plant's ability to handle wet weather flows in a reliable and consistent manner require the rehabilitation or replacement of existing major facilities and/or the addition of new facilities.

	EXPENDITURE SCHEDULE (000'S)												
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total		
Development Design Construction	770 3,161		230 2,706	55,000			2,000		57,000		770 3,391 59,706		
TOTAL	3,931	2,936	2,936	55,000			2,000		57,000		63,867		
			FUN	IDING SO	JRCE SC	HEDULE ((000'S)						
San José-Santa Clara Treatment Plant Capital Fund	3,931	2,936	2,936	55,000			2,000		57,000		63,867		
TOTAL	3,931	2,936	2,936	55,000			2,000		57,000		63,867		
			ANNUA	L OPERA	TING BUE	GET IMP	ACT (000'	S)					

None

Major Changes in Project Cost:

2005-2009 CIP - increase of \$6 million to fund construction costs based on revised estimates at 90% design completion.

2004-2008 CIP - increase of \$11 million based on revised estimates at 10% design completion.

2003-2007 CIP - increase of \$40 million to fund anticipated reliability project.

Notes:

FY Initiated:

1998-1999

Redevelopment Area:

N/A

Initial Project Budget:

\$4,000,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

10. Revised South Bay Action Plan - Industrial Recycle/Reuse

CSA:

Environmental and Utility Services

Initial Start Date: 3rd Qtr. 1999

CSA Outcome:

Healthy Streams, Rivers, Marsh and Bay

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 2nd Qtr. 2003

Council District:

. .

Revised Completion Date: 4th Qtr. 2009

Location:

Water Pollution Control Plant

Description:

This project will develop a plan to ensure industrial users in the service area are recycling their wastewater and/or using South Bay Water Recycling (SBWR) to the largest extent possible. This project includes investigative research, pilot projects and a financial incentive program that will assist industrial users in implementing the use of SBWR, or water conservation and recycling of their

wastewater.

Justification:

This project addresses the reuse of industrial discharge or the use of SBWR recycled water in

manufacturing processes, thus reducing discharge to the sanitary sewer system.

	EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Development	490	532	332	200	100	100	100	100	600		1,422
TOTAL	490	532	332	200	100	100	100	100	600		1,422
			FUN	IDING SO	URCE SC	HEDULE ((000'S)				
San José-Santa Clara Treatment Plant Capital Fund	490	532	332	200	100	100	100	100	600		1,422
TOTAL	490	532	332	200	100	100	100	100	600		1,422

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

2002-2006 CIP - decrease of \$1.6 million to reflect actual anticipated activities. 2003-2007 CIP - decrease of \$1.8 million to reflect actual anticipated activities.

Notes:

FY Initiated:

1997-1998

Redevelopment Area:

N/A

Initial Project Budget:

\$5,000,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

11. Revised South Bay Action Plan - SBWR Extension

CSA:

Environmental and Utility Services

Initial Start Date: 1st Qtr. 2000

CSA Outcome:

Healthy Streams, Rivers, Marsh and Bay

Revised Start Date: 2nd Qtr. 2001

Department:

Environmental Services

Initial Completion Date: 2nd Qtr. 2003

Council District:

4

Revised Completion Date: 3rd Qtr. 2005

Location:

Water Pollution Control Plant

Description:

The National Pollutant Discharge Elimination System (NPDES) permit requires continued development of the South Bay Water Recycling (SBWR) system to increase use of recycled water and further reduce Plant discharge. This project consists of design and construction of SBWR Phase II facilities in Santa Clara, Milpitas, and extension of a recycled water transmission line to

serve the planned Metcalf Energy Center in South San Jose and the new City Hall.

VDENDITUDE COMEDIA E (000'S)

Justification:

The Revised SBAP, adopted by the Council in June 2001, provides for an integrated, cost-effective combination of water conservation, industrial reuse and water recycling projects. The SBWR Extension Project includes construction of extensions to the existing recycled water distribution system that will provide additional capacity and ensure diversification of a beneficial resource while reducing mandated diversion risk.

				XPENDII	URE SCH	EDULE (U	00.5)				
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Development Property & Land Design Construction	3,874 3,150 30,611	5,150	5,150 690 60,392	1,033	389	394	389	389	2,594	6,224	3,874 5,150 3,840 99,821
TOTAL	37,635	66,232	66,232	1,033	389	394	389	389	2,594	6,224	112,685
and the second second			FUN	IDING SO	URCE SCI	HEDULE ((000'S)				
San José-Santa Clara Treatment Plant Capital Fund	37,635	66,232	66,232	1,033	389	394	389	389	2,594	6,224	112,685
TOTAL	37,635	66,232	66,232	1,033	389	394	389	389	2,594	6,224	112,685
			ANIMITA	LODERA	TING BUE	OCET IND	ACT (000!	6)			

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

2005-2009 CIP - increase of \$2.4 million to fund construction costs.

2004-2008 CIP - increase of \$9.6 million to fund the Silver Creek pipeline extension, reflecting additional contributions from the Santa Clara Valley Water District.

Notes:

The project completion date shown is tracking the completion of specific CIP projects (Santa Clara and Milpitas recycled water line extension, Silver Creek pipeline project, and Zone 3 reservoir).

FY Initiated:

2000-2001

Redevelopment Area:

N/A

Initial Project Budget:

\$100,000,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

12. Equipment Replacement

CSA:

Environmental and Utility Services

Initial Start Date:

Ongoing

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Ongoing

Department:

Environmental Services

Initial Completion Date: Revised Completion Date:

Council District:

4

Water Pollution Control Plant

Description:

Location:

This project provides for the replacement and rehabilitation of WPCP equipment. Equipment anticipated to be replaced or rehabilitated within the five year horizon includes air compressors, tanks, pumps, motors, control systems, valves, heat exchangers, engine auxillaries, lab instruments and other equipment as required. Existing engine-generators and engine-blowers will be retrofitted to meet Air Quality Board emission requirements.

Justification:

Replacement and rehabilitation of WPCP equipment is necessary as a result of wear, obsolesence or regulatory requirments. Replacement and rehabilitation will ensure continued efficient operation

of the Plant facilities.

			E	XPENDIT	URE SCH	EDULE (0	00'S)				
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Equipment		1,955	1,955	1,525	2,000	1,525	1,525	1,525	8,100		
TOTAL		1,955	1,955	1,525	2,000	1,525	1,525	1,525	8,100		
			FUN	IDING SO	URCE SC	HEDULE ((000'S)	•			
San José-Santa Clara Treatment Plant Capital		1,955	1,955	1,525	2,000	1,525	1,525	1,525	8,100	* * *	
Fund								<u> </u>	· · · · · · · · · · · · · · · · · · ·	<u></u>	
TOTAL		1,955	1,955	1,525	2,000	1,525	1,525	1,525	8,100		

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:

Ongoing

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program **Detail of Capital Projects**

13. Plant Infrastructure Improvements

CSA:

Environmental and Utility Services

Initial Start Date:

Ongoing

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Ongoing

Department:

Environmental Services

Initial Completion Date: Revised Completion Date:

Council District:

Location:

Water Pollution Control Plant

Description:

This project provides for improvements, rehabilitation, or replacement of existing Plant Infrastructure and fixed works: process facilities, buildings, structures and supporting facilities, piping and auxillaries, instrumentation, and electrical generation, distribution and control systems.

Justification:

Rehabilitation, improvements, and replacement of capital infrastructure is necessary to maintain process viability and to ensure regulatory compliance, structural integrity, reliability, functionality, and

safety of Plant buildings and process facilities for intended uses.

				XPENDIT	URE SCH	EDULE (0	00'S)				
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Construction		5,091	5,091	2,850	3,270	4,920	3,230	3,230	17,500		
TOTAL		5,091	5,091	2,850	3,270	4,920	3,230	3,230	17,500		
			FUN	IDING SO	URCE SC	HEDULE	(000'S)				
San José-Santa Clara Treatment Plant Capital Fund		5,091	5,091	2,850	3,270	4,920	3,230	3,230	17,500		
TOTAL		5,091	5,091	2,850	3,270	4,920	3,230	3,230	17,500		
			ANNUA	L OPERA	TING BUI	GET IMP	ACT (000'	S)	•		_

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:

Ongoing

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program **Detail of Capital Projects**

14. Unanticipated/Critical Repairs

CSA:

Environmental and Utility Services

Initial Start Date:

Ongoing

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: Revised Completion Date:

Council District:

Ongoing

Location:

Water Pollution Control Plant

Description:

This allocation provides funding for any unanticipated and/or critical repairs.

Justification:

It is necessary to have funds available to pay for unforeseen conditions discovered during any

project construction phase or repairs to Plant infrastructure to quickly respond to needs.

200	EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total	
Construction		332	332	250	250	250	250	250	1,250			
TOTAL		332	332	250	250	250	250	250	1,250			
			FUN	IDING SO	JRCE SC	HEDULE (000'S)		i			
San José-Santa Clara Treatment Plant Capital Fund		332	332	250	250	250	250	250	1,250			
TOTAL		332	332	250	250	250	250	250	1,250			

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:

Ongoing

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

15. Arbitrage Rebate Payment

CSA:

Environmental and Utility Services

Initial Start Date: 2nd Qtr. 2004

CSA Outcome:

Healthy Streams, Rivers, Marsh and Bay

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 2nd Qtr. 2006

Council District:

1

Revised Completion Date:

Location:

7

Water Pollution Control Plant

Description:

This allocation provides funding for remittance to the IRS of interest earned in excess of the arbitrage

yield on the bonds.

Justification:

Federal tax law requires the remittance to the IRS of interest in excess of the arbitrage yield on the

bonds.

			EXPENDITURE SCHEDULE (000'S)								
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Transfer to Other Agencies		100	100	100	300				400		500
TOTAL		100	100	100	300	* ,			400		500
		N	FUN	IDING SO	URCE SC	HEDULE	(000'S)				
San José-Santa Clara Treatment Plant Capital Fund		100	100	100	300				400		500
TOTAL		100	100	100	300				400		500

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:

2003-2004

Redevelopment Area:

SNI Area:

N/A

Initial Project Budget:

\$500,000

N/A

Appn. #:

4684

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2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

16. Payment for Clean Water Financing Authority Trustee

CSA:

Environmental and Utility Services

Initial Start Date: 2nd Qtr. 1995

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 4th Qtr. 2020

Council District:

1

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

This project provides for administrative costs of the San Jose/Santa Clara Clean Water Financing Authority related to bond issues, including necessary audits, transfers, registration, investment, and

disbursement fees.

Justification:

Services from the Clean Water Financing Authority are necessary to administer financing issued for

the Plant.

	EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Program Management	360	135	135	135	135	135	135	135	675		1,170
TOTAL	360	135	135	135	135	135	135	135	675		1,170
			FUN	DING SO	URCE SC	HEDULE (000'S)				
San José-Santa Clara Treatment Plant Capital Fund	360	135	135	135	135	135	135	135	675		1,170
TOTAL	360	135	135	135	135	135	135	135	675		1,170

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:

1994-1995

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

17. State Revolving Fund Loan Repayment

CSA:

Environmental and Utility Services

Initial Start Date: 3rd Qtr. 1998

CSA Outcome:

Healthy Streams, Rivers, Marsh and Bay

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 2nd Qtr. 2019

Council District:

4

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

This allocation provides for the repayment of low interest State loans awarded for the South Bay

Water Recycling projects.

Justification:

This is a contractual obligation. The loans will be repaid over a 20-year period.

	EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total	
Debt Service	19,518	4,464	4,464	4,464	4,464	4,464	4,464	4,464	22,320	41,979	88,281	
TOTAL	19,518	4,464	4,464	4,464	4,464	4,464	4,464	4,464	22,320	41,979	88,281	
			FUN	DING SO	URCE SC	HEDULE ((000'S)			<u></u>		
San José-Santa Clara Treatment Plant Capital Fund	19,518	4,464	4,464	4,464	4,464	4,464	4,464	4,464	22,320	41,979	88,281	
TOTAL	19,518	4,464	4,464	4,464	4,464	4,464	4,464	4,464	22,320	41,979	88,281	

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:

1998-1999

Redevelopment Area:

N/A

Initial Project Budget:

\$87,533,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program **Detail of Capital Projects**

18. Transfer to Clean Water Financing Authority Debt Service Payment Fund

CSA:

Environmental and Utility Services

Initial Start Date: 2nd Qtr. 1996

CSA Outcome:

Healthy Streams, Rivers, Marsh and Bay

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 4th Qtr. 2020

Council District:

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

This funding provides for the transfer of Santa Clara's and outside agencies' shares of the 1995 Series A and B Revenue Bonds, and the 1997 Refunding Bonds to the Clean Water Financing

Authority Debt Service Payment Funds.

Justification:

Repayment of bonds is a requirement of the bonding agreement.

			E	XPENDIT	URE SCH	EDULE (0	00'S)				
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Debt Service	3,257	1,308	1,308	1,309	1,697	1,662	1,662	1,660	7,990	22,296	34,851
TOTAL	3,257	1,308	1,308	1,309	1,697	1,662	1,662	1,660	7,990	22,296	34,851
			FUN	IDING SO	URCE SC	HEDULE (000'S)				
San José-Santa Clara Treatment Plant Capital Fund	3,257	1,308	1,308	1,309	1,697	1,662	1,662	1,660	7,990	22,296	34,851
TOTAL	3,257	1,308	1,308	1,309	1,697	1,662	1,662	1,660	7,990	22,296	34,851
			ANNUA	L OPERA	TING BUD	GET IMP	ACT (000'	S)			

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:

2001-2002

Redevelopment Area:

N/A

Initial Project Budget:

\$34,851,000

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program **Detail of Capital Projects**

19. Reserve for Equipment Replacement

CSA:

Environmental and Utility Services

Initial Start Date:

N/A

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date:

N/A

Council District:

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

Funding provides a reserve for replacement and rehabilitation of equipment which, due to age, wear, or obselescence, must be replaced for the efficient operation of the Plant. Reserved funds are available to pay for unforeseen extraordinary costs to the extent that there are no other funds

budgeted for such purposes.

Justification:

Provisions of the Improvement Agreement between the San Jose/Santa Clara Clean Water Financing Authority and bondholders, as well as the adopted Master Agreements for Wastewater

Treatment with the various tributary agencies require that replacement funds be segregated.

	EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Reserve		5,000		5,000	-				5,000		
TOTAL		5,000		5,000					5,000		:
			FUN	IDING SO	URCE SC	HEDULE ((000'S)				
San José-Santa Clara Treatment Plant Capital Fund		5,000		5,000					5,000		
TOTAL		5,000		5,000					5,000		
		*	ANNUA	L OPERA	TING BUD	GET IMP	ACT (000'	S)			

None

Major Changes in Project Cost:

N/A

Notes:

Unexpended funds are rebudgeted each year.

FY Initiated:

Ongoing

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program **Detail of Capital Projects**

20. Reserve for GRS Agreement

CSA:

Environmental and Utility Services

Initial Start Date: 3rd Qtr. 2002

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date: 2nd Qtr. 2008

Council District:

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

Funding provides a contingency reserve for an agreement with GRS, Inc. to construct a pipline from the neighboring landfill to the Plant for the delivery of methane gas to fuel electrical generators.

Justification:

The establishment of a contingency reserve is necessary to secure a price structure that guarantees the Plant savings on energy expenditures without the need for capital outlay. GRS, Inc. will assume all construction costs associated with the project in return for the Plant's guarantee to utilize the methane gas for the next five years.

	EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Reserve		2,300		1,800					1,800		1,800
TOTAL		2,300		1,800					1,800		1,800
			FUN	IDING SO	URCE SC	HEDULE ((000'S)	:			
San José-Santa Clara Treatment Plant Capital Fund		2,300		1,800					1,800	-	1,800
TOTAL		2,300		1,800					1,800		1,800

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

Unexpended funds are reduced each year after construction and benefit of the project was realized starting in 2003-2004.

Notes:

FY Initiated:

2002-2003

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Proposed Capital Improvement Program Detail of Capital Projects

21. Reserve for Rate Studies

CSA:

Environmental and Utility Services

Initial Start Date:

N/A

CSA Outcome:

Reliable Utility Infrastructure

Revised Start Date:

Department:

Environmental Services

Initial Completion Date:

N/A

Council District:

4

Revised Completion Date:

Location:

Water Pollution Control Plant

Description:

Funding provides for a reserve for the study and review of rate structures within the industry in the

near future.

Justification:

Future uncertainty requires that provisions be made to ensure the continual operation of the facility. As a result, future costs and revenues must be controlled and managed. Rate studies are needed

periodically to access the industry norms and anticipate future changes whenever possible.

		EXPENDITURE SCHEDULE (000'S)									
Cost Elements	Prior 2003-04 Years Appn.	2003-04 Estimate	2004-05	2005-06	2006-07 2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total		
Reserve	200		200				200		200		
TOTAL	200		200				200		200		
		FUN	DING SO	JRCE SC	HEDULE (000'S)						
San José-Santa Clara Treatment Plant Capital Fund	200		200				200		200		
TOTAL	200		200				200	. :	200		

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:

2003-2004

Redevelopment Area:

N/A

Initial Project Budget:

2000 2004

SNI Area:

N/A

Appn. #:

2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

Water Pollution Control

Summary of Projects that Start after 2004-2005

SUMMARY OF PROJECTS WITH CLOSE-OUT COSTS ONLY IN 2004-2005

EXPLANATION OF FUNDS
FLOW AND PRIORITY OF FUNDS

The Summary of Projects that Start after 2004-2005 includes those projects that have funding budgeted starting after 2004-2005. The Summary of Projects with Close-Out Costs Only in 2004-2005 includes those projects that are near completion with only minimal costs (typically inspection services and program management) to finish the project budgeted in 2004-2005. On the Use of Funds statement, the projects in these summaries are not numbered.

2005-2009 Proposed Capital Improvement Program

Summary of Projects that Start after 2004-2005

Project Name: Filter Improvements Initial Start Date: 1st Qtr. 2004

5-Year CIP Budget: \$6,000,000 Revised Start Date:

Total Budget: \$6,350,000 Initial End Date: 1st Qtr. 2008
Council District: 4 Revised End Date: 4th Qtr. 2008

Description: The current filtration process is run by electromechanical switches that require the presence of around-the-clock operators. The existing electromechanical switches have been operating for the past 25 years and can be upgraded using programmable computer controllers. This project would upgrade aging electromechanical switches with modern programmable controllers and relieve the need of continuous operator

presence in this process.

2005-2009 Proposed Capital Improvement Program

Summary of Projects with Close-out Costs Only in 2004-2005

Project Name: Revised South Bay Action Plan -

Inflow/Infiltration Reduction

5-Year CIP Budget:

\$50,000

Total Budget: \$4,002,390

Council District: 4

Initial Start Date: 3rd Qtr. 1998

Revised Start Date:

Initial End Date: 2nd Qtr. 2004

Revised End Date: 2nd Qtr. 2005

Description: This allocation provides for a groundwater infiltration reduction study and

rehabilitation program to include infiltration evaluation, flow monitoring and quantification, source detection, cost-benefit analysis and prioritization of sewer

rehabilitation work, including repairs, rehabilitation and/or replacement.

2005-2009 Proposed Capital Improvement Program

Explanation of Funds

Revenues and expenditures for the operation and maintenance of the San José-Santa Clara Water Pollution Control Plant are accounted for by the City of San José, as administering agency, through the San José-Santa Clara Water Pollution Control Plant Operating Fund (Operating Fund) and the San José-Santa Clara Treatment Plant Capital Fund (Capital Fund), established by Ordinance 7214 in July, 1959.

Revenues from Tributary Agencies of the San José-Santa Clara Water Pollution Control Plant are recorded directly into the Treatment Plant Operating and Capital Funds respectively. The Tributary Agencies include the City of Milpitas, City of Cupertino, Burbank and Sunol Sanitary Districts, County Sanitation District No. 2-3, and West Valley Sanitation District.

Tributary Agencies are assessed for their share of annual operation, maintenance, equipment, and facilities replacement and capital costs, based on their respective flow and strength of sewage conveyed to the Plant.

The San José Sewer Service and Use Charge Fund was established by the San José City Council by Ordinance Number 7308, adopted in August, 1959. This fund is the depository of revenues from Sewer Service and Use Charges received from residential, commercial, and industrial users of the sanitary sewer system. A portion of these moneys are transferred to the Treatment Plant Operating and Capital Funds to pay for the City of San José's share of operating and capital costs of the Water Pollution Control Plant.

The Santa Clara Sewer Revenue Fund was established by Resolution Number 916 of the City Council of Santa Clara in October, 1960. Like the City of San José, revenues from this fund are transferred directly to the Treatment Plant Operating and Capital Funds.

The Treatment Plant Capital Fund provides all moneys used for capital projects. Included in this fund is the Treatment Plant Renewal and Replacement Fund. This fund was established to satisfy the Water Pollution Control Plant's federal and state grant agreements as well as to comply with bond covenants.

WATER POLLUTION CONTROL PLANT FLOW AND PRIORITY OF FUNDS

